

# Mable's Tax Service

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*Mable L. Deane*

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EXHIBIT 2  
DATE 2-20-07  
HB 757

## FAX COVER SHEET

Fax to: **Business & Labor Committee**  
**House of Representatives**  
State of Montana 60<sup>th</sup> Legislature

DATE: February 21, 2007

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Fax From: Mable L. Deane

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**NUMBER OF PAGES INCLUDING THIS COVER PAGE: 3 pages**

House Business and Labor Committee:

Please accept the attached 2 pages as my support of HB 757.

If you have any questions, please let me know.

Mable L. Deane  
E-mail: MDeane8956@aol.com

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**Mable's Tax Service**PO Box 925, 223 N. Main Street  
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February 20, 2007

Business and Labor Committee  
60<sup>th</sup> Legislature, State of Montana  
Helena, MT 59601

Chairman Scott Mendenhall and Committee members:

I spoke as a proponent of HB 757 this morning at your 8 AM hearing. I see online this evening that this bill has been tabled. Please take serious reconsideration and allow this bill to pass to the House floor for a Vote.

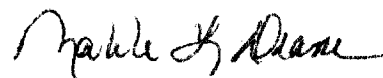
Page 1, Line 22 & 23 of HB 757 states, "...the state fund will be neither more or less than self-supporting." This line is very important, just because the State Fund is able to save money during the claims process does not mean that the entity should be setting aside over \$800,000 for employee incentives/bonuses. I know State Fund does not like this money being called bonuses, but the employees are hired at a wage/salary to do a job. Large bonuses for doing the job right or well should not be the 'incentive' to do the job correctly! This money could be used to reduce the rates the rate payers pay in premiums and/or could be used to set aside an escrow fund so that the State of Montana does not get into another "Old Fund" situation. Just because the rates are set to generate 'x' amount of dollars does not mean they are correct for the actual costs of caring for injured workers and paying administrative costs.

I will enclose here a letter I sent to Governor Schweitzer in November 2005 after reading an article in the newspaper.

HB 757 Page 3, Line 7 & 8: This item definitely needs to be added to law. I have never received the survey the gentleman from State Fund spoke of this morning until after I received my renewal packet with the wages already estimated. Yes, I generally call State Fund to correct the estimated payroll, but do not always receive courteous reception when I ask that it be changed. There should be no automatic increases. Many small businesses in Montana see very little change in their annual payroll.

Thanking you for your time, I am

Respectfully yours,



Mable L. Deane, EA

**Mable's Tax Service**PO Box 925, 223 N. Main Street  
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November 1, 2005

Governor Schweitzer  
PO Box 200801  
Helena, MT 59604-0801

COPY

Dear Governor Schweitzer:

I am writing to you as a concerned small business owner in Montana. I am rather furious about the article I read in the paper this past weekend. And since this is not the first time my money is being spent recklessly, I am upset.


I am referring to the Montana State Fund and the bonuses that are being paid to the staff. The bonuses of \$4,200 per staff member and the \$41,000 bonus to the CEO have come from the pockets of all the small employers in the State of Montana and NOT from any other source. To top off this a great many of these small employers could use the \$4,200 themselves as that figure would amount to 15% to 25% of their annual net income. I do payroll work for 29 small businesses as well for two businesses owned by my husband and myself. Each and every one of these businesses has seen an increase in their workmen compensation rates of between 4% and 27% this policy year. I think that is outrageous to have increased rates when those bonuses could very well replace the rate increases.

I know they say that the State Fund employees are not on the state payroll, but I also know what some of them make since I also prepare tax returns and have exact knowledge of two employee's income. They make on average, more than the employees of general small businesses in Montana. Then to take employers funds and give them bonuses without the consent of the rate payers! What has Montana come to?

In the past years the CEO of State Fund has gotten rather hefty bonuses on top of his rather large salary for Montana. Again, all this money comes from the rate payers! They talk about refunds being paid to the policy holders - the amount that Team 1 employers receive isn't even enough for the business owners to go out and have a nice dinner with! I received a refund this last spring of \$86.93 on premiums paid into State Fund since 2000 of \$6,217. My business saw increased rates of 27% (to 0.8% of wages) on my office staff and 21% (to 7.49% of wages) for the staff in my Laundromat. My husband's business has had rate increases from 15.64% two years ago; 20.82% last year and 21.56% this year. Neither business has ever had a claim!

I think it is time for the small businesses to get together and go after the legislature and the governor to change this. The \$41,000 bonus to the CEO of State Fund alone is more money than a lot of business owners make in a year! It is time to do something about this abuse!

Respectfully,

  
Mable L. Deane